

National Park Service (NPS)  
Statue of Liberty National Monument and Ellis Island (Park)  
Prospectus for CC-STLI001-07, Ferry Services

**ANSWER SET #2:**

**QUESTIONS NOS. 1-101 AND 253-265 RECEIVED IN RESPONSE TO THE PROSPECTUS BY 4:00 PM 01/16/2007**

<u>ID</u>	<u>Key for Source of Questions:</u>
SV	Submitted anonymously at Site Visit [21]
a	BilleyBey Ferry Company, LLC [14]
b	Evelyn Hill, Inc. [3]
c	Seastreak America, Inc. [3]
d	Evelyn Hill, Inc. [3]
e	McAllister Towing and Transportation Company [16]
f	ARAMARK Parks and Resorts [16]
g	New York Times [11]
h	Hornblower [22]
i	Circle Line–Statue of Liberty Ferry, Inc. [156]

#	QUESTIONS	ANSWERS	ID
<b>BUSINESS OPPORTUNITY – Summary</b>			
1	On August 31, 2006, and on September 11, 2006, the Existing Concessioner submitted extensive materials to the Park Service demonstrating that the right-of-preference in renewal is incorporated into the terms of its current contract. These materials included affidavits on behalf of former National Park Service employees confirming the Park Service’s agreement that, at the end of the current contract, Circle Line would be entitled to exercise a right of preference in renewal. Does the Park Service intend to disclose this information to prospective Offers? If not, why not?	NPS regulations at 36 C.F.R. § 51.102 (see Prospectus Appendix D), discuss the issue of preference in the renewal of concession contracts, noting that the Concessions Policy Act of 1965 (the 1965 Act) provided such a statutory right, and that the National Park Service Concessions Management Improvement Act of 1998 (the 1998 Act; see Prospectus Appendix M) repealed this statutory provision. In accordance with the 1998 Act, NPS regulations provide that “It is the final decision of the Director .... that holders of 1965 Act concession contracts are not entitled to be given a renewal preference with respect to such contracts ....” unless the 1965 Act concession contract makes express reference to such a preference. 36 C.F.R. § 51.102(a). This regulation was upheld by the District Court for the District of Columbia and the Court of Appeals for the District of Columbia. See, <i>Amfac Resorts, L.L.C., et al. v. Dep’t of Interior</i> , 142 F.Supp.2d 54 (D.D.C. 2001), and <i>Amfac Resorts, L.L.C., et al. v. Dep’t of Interior</i> , 282 F.3d 818 (D.C. Cir. 2002). Because the Existing Concession Contract does not contain an express	i140

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		provision regarding a preference in the renewal of the Contract, the Director has determined that no Preferred Offeror for the new concession contract exists in accordance with 36 C.F.R. § 51.102.																																																																																																																	
2	Notwithstanding the information provided to the Park Service, the Prospectus states that “the Director has determined that no Preferred Offeror for this Draft Contract exists pursuant to the terms of 36 C.F.R. Part 51.” What is the basis for that determination?	See the NPS answer to question #1.	i141																																																																																																																
3	Because no Right of Preference is recognized in the Prospectus, will the Park Service reimburse prospective Offerors for their proposal preparation costs if a court determines that the Park Service is required to honor its commitment to giving the Existing Concessioner a right of preference in renewal under the current contract?	The NPS cannot speculate on hypothetical situations, but notes that there is no apparent basis for such payment.	i142																																																																																																																
BUSINESS OPPORTUNITY – Statue of Liberty National Monument and Ellis Island Visitation																																																																																																																			
4	What are the numbers of special events by month since 9/11?	<table><tr><td></td><td>2001</td><td>2002</td><td>2003</td><td>2004</td><td>2005</td><td>2006</td><td>Total</td></tr><tr><td>Jan</td><td>2</td><td>0</td><td>0</td><td>2</td><td>1</td><td>2</td><td>7</td></tr><tr><td>Feb</td><td>1</td><td>0</td><td>0</td><td>0</td><td>1</td><td>2</td><td>4</td></tr><tr><td>Mar</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td><td>2</td></tr><tr><td>Apr</td><td>2</td><td>3</td><td>4</td><td>2</td><td>1</td><td>2</td><td>14</td></tr><tr><td>May</td><td>3</td><td>6</td><td>4</td><td>4</td><td>4</td><td>3</td><td>24</td></tr><tr><td>Jun</td><td>4</td><td>4</td><td>3</td><td>5</td><td>6</td><td>1</td><td>23</td></tr><tr><td>Jul</td><td>2</td><td>1</td><td>2</td><td>2</td><td>2</td><td>1</td><td>10</td></tr><tr><td>Aug</td><td>0</td><td>3</td><td>1</td><td>1</td><td>0</td><td>0</td><td>5</td></tr><tr><td>Sep</td><td>0</td><td>0</td><td>1</td><td>0</td><td>3</td><td>2</td><td>6</td></tr><tr><td>Oct</td><td>0</td><td>0</td><td>1</td><td>7</td><td>5</td><td>0</td><td>13</td></tr><tr><td>Nov</td><td>0</td><td>0</td><td>1</td><td>4</td><td>0</td><td>1</td><td>6</td></tr><tr><td>Dec</td><td>0</td><td>0</td><td>2</td><td>2</td><td>0</td><td>1</td><td>5</td></tr><tr><td>Total</td><td>15</td><td>17</td><td>19</td><td>29</td><td>23</td><td>16</td><td>119</td></tr></table>		2001	2002	2003	2004	2005	2006	Total	Jan	2	0	0	2	1	2	7	Feb	1	0	0	0	1	2	4	Mar	1	0	0	0	0	1	2	Apr	2	3	4	2	1	2	14	May	3	6	4	4	4	3	24	Jun	4	4	3	5	6	1	23	Jul	2	1	2	2	2	1	10	Aug	0	3	1	1	0	0	5	Sep	0	0	1	0	3	2	6	Oct	0	0	1	7	5	0	13	Nov	0	0	1	4	0	1	6	Dec	0	0	2	2	0	1	5	Total	15	17	19	29	23	16	119	h13
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5	What are the pax counts for the harbor cruises alone?	No passenger counts for the Island Cruise are available since it will be a new service. The prospectus does not mention a “Harbor Cruise.”	h17																																																																																																																
6	What are the visitation numbers by day by cruise since 9/11?	Visitation numbers by day for 2001 though 2006 can be found in the attached exhibits. Sample passenger counts by boat can be found in the attached exhibits.	h11																																																																																																																
7	Provide ferry boat occupancy counts per a sampling of in-season days and off-season days.	Sample passenger counts by boat can be found in the attached exhibits.	f2																																																																																																																
8	Provide the number of ferry tickets sold annually from 1991 – 2000.	Reliable ticket sales data prior to 2000 is not available. The number of tickets sold in 2000 (prior to the terrorist attacks of	f1																																																																																																																

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		9/11/01) and 2006 were, respectively, 3,747,080 and 3,028,505. See the Business Opportunity, p. 11, for annual ticket sales data from 2001 through 2005. The only reliable data available to approximate ticket sales from 1991 through 1999 are Park Visitation statistics. See the Business Opportunity, pp. 10-12, for this information and how it relates to ticket sales.									
9	Provide ticket count distribution per day for a “typical” in-season week.	Sample passenger counts by boat can be found in the attached exhibits.	f3								
10	# of pedestal tickets per day? – now – anticipated increase.	The current maximum number of free monument tour passes issued is 2295 per day.	SV								
11	How are the monument tour tickets allocated over the course of a day? Are there a certain number of tickets allocated per hour, etc. over the course of the day?	<p>The current distribution of free monument tour passes is:</p> <table><tr><td><u>Time Slot</u></td><td><u># of Passes</u></td></tr><tr><td>9:45am-11:45am</td><td>810</td></tr><tr><td>10:45am-1:45pm</td><td>675</td></tr><tr><td>12:45pm-3:30pm</td><td>810</td></tr></table> <p>The NPS continues to evaluate and improve the monument tour pass system. The NPS generally plans to maintain this allocation or a similar allocation to distribute the passes throughout the course of the day.</p>	<u>Time Slot</u>	<u># of Passes</u>	9:45am-11:45am	810	10:45am-1:45pm	675	12:45pm-3:30pm	810	f6
<u>Time Slot</u>	<u># of Passes</u>										
9:45am-11:45am	810										
10:45am-1:45pm	675										
12:45pm-3:30pm	810										
12	What is the capacity of the Island(s)?	For emergency response purposes, the NPS will allow no more than 3,500 visitors on Liberty Island at a time. This limit on Liberty Island has not been reached since security screening operations at embarkation sites were implemented. There is currently no limitation on Ellis Island.	SV								
13	Carrying Capacity – Ellis Island (if any) Liberty Island (if any).	See the NPS answer to question #12.	SV								
14	What are the current visitor capacities of Liberty and Ellis Islands?	See the NPS answer to question #12.	a14								
15	Is the visitation capped annually, or daily? I.E. If you increase load factor in the winter, the annual goes up?	The NPS does not cap visitation annually or daily. See the NPS answer to question #12.	h15								
16	Does the Park Service intend to impose to place any restrictions on the number of visitors allowed on Liberty Island or Ellis Island at any given time? If so what will be the maximum Island capacities?	See the NPS answer to question #12.	i38								
17	What is the maximum legally acceptable number of visitors/passengers at the following locations: (1) Ellis Island; (2) Liberty Island; (3) Landing Slips 3, 4, and 5 and adjacent walkway. At all times when the Ellis Island and Liberty Island National Parks are open for visitors, are the National Park Service and the United	See the NPS answer to question #12. The NPS does not administer “Landing Slips 3, 4 and 5 and adjacent walkway” in Battery Park. The NPS fully staffs Liberty and Ellis Islands when they are open to Park visitors.	e6								

#	QUESTIONS	ANSWERS	ID
	States Park Police fully staffed to accommodate maximum legally acceptable number of visitors/passengers?		
18	If there are restrictions on Island capacities, and a capacity is reached, how would the Park plan to handle visitors who subsequently arrive with a reservation seeking to visit the Islands? How does the Park Service intend to assure adequate flow off of the Islands in order to insure capacity for ticket holders with reservations?	See the NPS answer to question #12. We invite and will consider proposals to address the question about assuring “adequate flow off of the Islands in order to insure capacity for ticket holders with reservations.”	i95
<b>BUSINESS OPPORTUNITY – Existing Concession Operations</b>			
19	May we have any surveys or evaluations of the present concession operation?	The three most recent NPS evaluations of the Existing Concessioner’s operations can be found in the attached exhibits.	h10
20	What are the special event policies?	All Special Events must be authorized through a special use permit from the NPS. Organizations with special use permits are authorized to contract directly with the ferry Concessioner. Organizations are not allowed to contract with other transportation providers unless specifically authorized in writing by the Superintendent. Documents stating special event policies can be found in the attached exhibits.	h12
21	How many employees are employed during the summer season?	The NPS does not have this information; however, the NPS estimates direct labor to be 25-30% of gross revenues (see the Business Opportunity, p. 28).	f9
22	How many employees are part of the union contract	The NPS does not have this information. See the existing union contracts in the Draft Contract, Exhibit B.	f7
23	See Answer Set # 1 released 01/31/2007	See Answer Set #1 released 01/31/2007	g8
24	What is the total # of screening stations at Liberty State Park?	There are three screening stations at Liberty State Park.	SV
25	Provide the security capacity (people per hour, people per boat, etc) at both Battery Park and Liberty State Park.	The NPS does not have detailed statistics on the processing rate for screening stations but estimates a rate of approximately 250 people per hour per machine. There are six screening stations at Battery Park and three at Liberty State Park. Processing times may vary – for example when visitors are encumbered by heavy clothing and baggage, processing times may be longer. The average maximum screening capacity at Battery Park is approximately 700 people per boat during peak season according to boarding records. Maximum capacities have not generally been reached at Liberty State Park. See the NPS answer to question # 7 regarding boat occupancy.	f4
26	Capacity per hour NY screening facility and NJ screening facility	See the answer to question # 25	SV
<b>BUSINESS OPPORTUNITY – Future Concession Operations</b>			
27	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g3

#	QUESTIONS	ANSWERS	ID
28	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g9
29	How was the “average maximum” figure calculated [regarding “screening and boarding ‘an average maximum of approximately 700 passengers per boat’”]? What is the source of the data used to calculate the “average maximum” figure? Would the NPS allow Concessioner to offer peak and off-peak fares to help even out the flow of passengers through security and to boost park attendance?	See the NPS answer to question # 25 for the “‘average maximum’ figure calculated” and “source of data.” See the Draft Contract, Exhibit A, § 3(K)(4) regarding “peak and off-peak fares:” “The Concessioner may propose rate reductions as an incentive for visitation during off-season and off-time visitation.”	e4
30	Are there any planned changes over the course of the anticipated 10-year contract to the security operation that would increase the security flow through? If so, what is the change anticipated and the impact of the change?	The NPS is interested in establishing a permanent security facility at some point, possibly during the term of the Draft Contract. See the Business Opportunity, p. 23: “During the term of this contract, the NPS may require the Concessioner to move to another NPS-approved embarkation location ... .” The NPS continually looks for ways to improve the visitor experience including enhancements to the security screening areas and process. The NPS continues to evaluate the equipment to identify options for expediting the process without compromising the integrity of the screening.	f5
31	When did the harbor cruise operation begin?	The Island Cruise is a newly required service and will begin when the Draft Contract is executed. The prospectus does not mention a “Harbor Cruise.”	h16
32	Is there a departure preference for the Island Cruise?	See the Business Opportunity, p. 20, and the Draft Contract § 3(a)(iv).	SV
33	What is the geographical scope of locations “in proximity,” as used [on page 20 of the Business Opportunity regarding the Island Cruise]? By what process and pursuant to what criteria is a location deemed to be approved by the [NPS] for purposes of the above sentence?	The Island Cruise embarkation site must be located near the primary ferry service embarkation site to facilitate ticketing and management. The embarkation site must be close enough to Battery Park to benefit from the mass transit termini and other amenities of Battery Park. If the NPS relocates the security screening facility and primary ferry embarkation site to a different location, that site will be dedicated to secure vessels and the Island Cruise will be required to be near enough to the new site to benefit from its amenities.	e1
34	In this section, it is stated that “[t]he NPS estimates that over 300,000 Park visitors will take the Concessioner’s Island Cruise annually.” On what is this estimate based? Will Island Cruise passengers be required to go through the same security process that the Ellis and Liberty Island passengers currently go through? Assuming the answer ... above is “yes,” will additional security personnel be assigned to screen Island Cruise passengers?	The estimate of the number of visitors that will visit the Park on the Island Cruise each year was developed in consultation with a qualified NPS contractor with expertise in market analysis. The estimate is based on information about existing tourism in New York Harbor and assumptions about expansion and capture of a portion of that market by the high visibility NPS Concessioner departing from a prime location. Park visitors boarding Island	e2

#	QUESTIONS	ANSWERS	ID
		Cruise vessels will not go through the same security screening process as passengers boarding boats for the primary ferry service.	
35	The Park boundary line is surrounding Liberty Island in close proximity to the sea walls. We are unaware of any vessel that can carry passengers. What vessels did the NPS plan that can enter this boundary? On the Ellis Island boundary, we are unable to confirm any of the boundary lines except a 15' perimeter around the Island. The 1998 Supreme Court case does not show this extended boundary. These boundaries are not marked. Can you confirm these property lines? Can the other tour boats enter these boundaries? Most of the rear of Ellis Island is for shallow draft vessels only.	Although the ferry boats currently operated by the Existing Concessioner cannot enter the Park boundary around Liberty Island due to navigational constraints, they can enter the Park boundary around Ellis Island. Park boundaries are depicted in the Draft Contract, Exhibit C. "Other tour boats" are not allowed within Park boundaries. Also, there is a U.S. Coast Guard security zone around Liberty and Ellis Islands (generally outside the Park boundaries) that is strictly enforced. Only NPS and NPS authorized concession operation boats are allowed in this zone. The Island Cruise may enter the Security Zone around Liberty Island, subject to security considerations; we invite and will consider proposals to address this question. Information on the U.S. Coast Guard security zone can be found in the attached exhibits.	b3
36	The National Park Service Concessions Management Improvement Act of 1998 grants the Secretary authority to "utilize concession contracts to authorize a person, corporation, or other entity to provide accommodations, facilities, and services to visitors to units of the National Park System." Pub. L. No. 105-391, § 403. Under the terms of the Prospectus, the Park Service is requiring the Concessioner to provide an Island Cruise from "NPS-approved locations in, adjoining, or in proximity to Battery Park in New York City" that "will enter the Park water boundary for close up views," but will not disembark at the Park. (See Bus. Opp. at 20.) a. Will the Island Cruise be permitted to take passengers to debarkation points at the Statue of Liberty, Ellis Island, or any other unit of the National Park System? b. Do the contemplated NPS-approved locations in, adjoining, or in proximity to Battery Park in New York City from which the Island Cruise will sail qualify as "units of the National Park System"? c. What authority is the National Park Service relying on to provide concession services to passengers who are not visiting a unit of the National Park System?	The Island Cruise is authorized by the National Park Service Concessions Management Improvement Act of 1998 (see Prospectus Appendix M). The Island Cruise will be required to enter the boundaries of Statue of Liberty National Monument and Ellis Island at the Ellis Island ferry slip, stop and provide visitors a Park experience from off-shore (see Draft Contract, Exhibit A § 3(A)). It will not be authorized to dock at or deliver Park visitors to Liberty Island, Ellis Island or another unit of the National Park System. The embarkation sites described in the Business Opportunity, pp. 22-3, are not currently within a unit of the National Park System.	i18
37	What will be the status of the existing NPS Foundation-supported Harbor Tour? After new contract services?	The Draft Contract will not affect the status of activities outside the Park.	SV
38	When moved to Pier A will the "Island Cruise" be the <u>only</u> Statue sightseeing cruise from Pier A?	The NPS is currently in active negotiations with WPA/Partners, LLC, for the possible use of Pier A for a permanent security	SV

#	QUESTIONS	ANSWERS	ID
		screening facility and expects to know the outcome of these negotiations by April 30, 2007. If the NPS relocates the security screening facility and primary ferry embarkation site to a different location, that site will be dedicated to secure vessels and the Island Cruise will be required to be near enough to the new site to benefit from its amenities. For security reasons, no “statue sightseeing cruise,” including the Island Cruise, would be allowed to operate from the same dock space at any new site used by the primary ferry services. If NPS negotiations for the use of Pier A are successful, the Island Cruise could continue to operate from an adjacent Battery Park dock slip.	
39	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g7
40	Would the National Park Service be interested in ... carrying additional traffic from the Bayshore area of New Jersey (especially during the summer months) to Battery Park where customers could buy tickets for the Statue and Ellis Island tours utilizing the NPS Security process?	“Carrying additional traffic from the Bayshore area of New Jersey ... to Battery Park” is not a required or authorized service under the Draft Contract. However, see the Business Opportunity, p. 20: “The NPS would like to expand access to other NPS units in and around New York Harbor with water transportation routes that are more effective or convenient than existing land-based transportation.” See also the Proposal Package, Part B, Secondary Selection Factor 3.	c1
41	The Prospectus authorizes the Concessioner to provide additional ferry services to other NPS destinations, subject to the approval by the Park Superintendent. ( <i>See</i> Bus. Opp. at 20). a. If the Concessioner offers to provide additional ferry services, will the Park Service provide/guarantee that adequate and appropriate landing infrastructure(s) at other NPS destinations such as RIIS Landing, Governors Island, etc., will be made available? b. If the Concessioner offers to provide additional ferry services, who will be responsible for funding the landside infrastructure at the following NPS sites? Fort Wadsworth, Governors Island, Sandy Hook National Seashore. c. If the Concessioner offers to provide additional ferry services, who will be responsible for the management, maintenance, and repair of the landside infrastructure at the following NPS sites? Riis Landing, Governors Island, Sandy Hook National Seashore, Fort Wadsworth. d. If the Concessioner offers to provide service to additional ferry routes, will the Concessioner be responsible for contacting and establishing “non profit partners” for the interpretive guide? e. If the Concessioner offers to provide service to additional ferry routes, will	The NPS could provide the existing docking facilities in Gateway National Recreation Area at Riis Landing (Fort Tilden) in the Breezy Point Unit and at Fort Hancock in the Sandy Hook Unit. The Sandy Hook Unit facilities are currently operational only during the summer season. Various docking facilities exist on Governors Island, but the NPS does not administer these facilities. We invite and will consider proposals to address questions about dock facility funding, management, maintenance and repair, and interpretive services. See the Proposal Package, Part B, Secondary Selection Factor 3. Any decisions regarding additional ferry services, infrastructure, interpretation, security and rates will be made in accordance with the terms of the Draft Contract. The NPS would not require security screening of additional ferry route boats in the same manner as the primary ferry service.	i87

#	QUESTIONS	ANSWERS	ID
	the vessels used on these additional routes have to be security swept each day? f. If the Concessioner offers to provide service to additional ferry routes, how will the rates of these services be determined?		
42	The Prospectus states that, in considering whether to propose additional ferry routes to NPS destinations, “Offerors should consider potential links to existing public transportation services to create loops or “trails” and could consider working with one of the NPS not-for-profit partners to provide interpretative programs as part of this service.” (Bus. Opp. at 20). Will the Park Service provide prospective Offerors with a list of its for- and not-for-profit partners?	Contact with NPS not-for-profit partners for this purpose is premature and should await award of the Concession Contract.	i29
43	What is the identity of these organizations [i.e., “NPS’s not-for-profit partners”referred to on page 20 of Business Opportunity]?	See the NPS answer to question #42	e3
44	[Will the] NPS reconsider its decision to withdraw the existing authority over audio tour services from concessioners.	No.	d3
45	Will the new ferry service concession contract and Operating Plan require the new concessioner to continue the longstanding and necessary service of providing freight transportation for the Liberty Island Food and Gift Facility? If so, will the new concessioner’s freight transportation service be subject to NPS oversight and rate approval?	No. See the Business Opportunity, p. 22. However, NPS oversight of freight security will continue.	d1
46	Will the new ferry service concession contract and Operating Plan require the new concessioner to continue the longstanding and necessary practice of providing transportation without charge for the employees of the concessioner operating the Liberty Island Food and Gift Facility? As contemplated by the above-quoted Operating Plan, will the Supervisor continue the existing practice by designating other concessioners’ employees as parties that qualify for free transportation by the new ferry service concessioner? What are the limitations referred to in the Operating Plan that will apply to the free employee transportation service?	See the Draft Contract, Exhibit A, § 3(A)(4): “Employees and people doing business with the park, as designated by the Superintendent, will travel by NPS Park boat during its operating schedule and, otherwise, by Concessioner boats at no charge on a limited basis provided space is available.” Concession employees on Liberty and Ellis Islands will be designated “people doing business with the park.”	d2
47	The Prospectus states that the Park Service has entered in a Memorandum of Understanding both with the City of New York Parks and Recreation Department and with the State of New Jersey, Department of Environmental Protection (See Bus. Opp. at 22-23). a. Will the Concessioner be required to contract directly with the City of New York and State of New Jersey for landing rights at respective locations within Battery Park (Gangways 3, 4, & 5) and at Liberty	See the Business Opportunity pp. 22-3 and the Draft Contract, Exhibit A, § 3(F). The Concessioner will be responsible for securing authorization to use the identified embarkation facilities directly from the City of New York Parks and Recreation Department and the New Jersey Department of Environmental Protection, Division of Parks and Forestry.	i21



#	QUESTIONS	ANSWERS	ID
	State Park? b. If the Park Service intends to negotiate directly with the City of New York and the State of New Jersey, will the Concessioner be required to remit annual payments required under the lease agreements to the Park Service or to the City of New York and the State of New Jersey?		
48	What is the geographical scope of locations “in proximity” as used [on page 22, of the Business Opportunity]? By what process and pursuant to what criteria is a location deemed to be approved by the NPS for purposes of the above sentence? If additional landing and docking/embarkation facilities are approved by the NPS (other than landing slips 3, 4, and 5), which entity would be responsible to negotiate and secure from City Parks a license or Memorandum of Understanding for use of such facilities – the NPS or Concessioner? What are the required business hours for the required landing and docking/embarkation facilities at NPS-approved locations?	The primary ferry service embarkation site must be located adjacent or close enough to Battery Park to benefit from the mass transit termini and other amenities of Battery Park. The NPS does not require any embarkation facilities in addition to Battery Park landing slips 3, 4 and 5; however, the Concessioner will be responsible for securing authorization to use any proposed embarkation facilities directly. The operating hours for the embarkation facilities must accommodate primary ferry service and Island Cruise schedules. Sample current primary ferry schedules are provided in Prospectus Appendix N. The minimum season and hours of operation for the primary ferry service and the Island Cruise are stated in the Business Opportunity, pp. 19-20, and the Draft Contract, Exhibit A, § 3(D). Embarkation facility hours of operation must also accommodate special event transportation services.	e5
49	If additional landing and docking/embarkation facilities in Manhattan are approved by the NPS (in addition to landing slips 3, 4, and 5 in Battery Park and Liberty State Park in New Jersey), and Concessioner begins services from such locations, must schedules and frequency of departures from landing slips 3, 4, and 5 in Battery Park and Liberty State Park continue in a similar manner under the new contract?	See the NPS answer to question #38. The NPS will not authorize “additional landing and docking/embarkation facilities in Manhattan” in addition to landing slips 3, 4 and 5 in Battery Park or any permanent security facility the NPS may establish at another location. See the Business Opportunity, p. 19: “Schedules and frequency of departures are expected to continue in a similar manner under the new contract ...” whether embarking from landing slips 3, 4 and 5 in Battery Park or any permanent security facility the NPS may establish at another location.	e9
50	What is the purpose of the potential move to a new docking facility?	The NPS goal is to move from temporary screening facilities to permanent facilities to better maintain and protect security equipment, to facilitate screening operations, and to better serve Park visitors. The NPS is currently in active negotiations with WPA/Partners, LLC, for the possible use of Pier A for a permanent security screening facility and expects to know the outcome of these negotiations by April 30, 2007.	SV
51	The Prospectus states that, during the term of the concessions contract, the Park Service may require the Concessioner to move to	The NPS goal is to move from temporary screening facilities to permanent facilities. The NPS is currently in active negotiations	i13

#	QUESTIONS	ANSWERS	ID
	<p>another NPS-approved embarkation location in, adjoining, or in proximity to Battery Park. (See Bus. Opp. at 23). a. Is the Park Service planning to construct a permanent visitor screening facility? b. If so, what is the projected timeline for the completion of such a facility? c. If the Park Service decides to move the embarkation point away from the landing slips at Battery Park, will the ticketing operations still be run out of Castle Clinton National Monument? d. Will the security screening facilities remain air conditioned when necessary, whether or not they remain in their current locations or are moved to new locations? e. Will the Concessioner be responsible for the cost of capital investments if the ‘temporary’ security screening facilities are moved to a permanent NPS-approved embarkation location? f. Will the Park Service confirm that, if the Park Service decides to move the embarkation point at Battery Park to a new location, the Concessioner will not be required to provide or pay for any dredging, dock-building, or facility construction of any kind to facilitate such a move? g. Will the Park Service confirm that, if the Park Service decides to move the embarkation point at Battery Park to a new location, the Concessioner will not be responsible for relocating and reconnecting, or paying the costs of relocating and reconnection, any of the Park Service’s security screening equipment?</p>	<p>with WPA/Partners, LLC, for the possible use of Pier A for a permanent security screening facility and expects to know the outcome of these negotiations by April 30, 2007. In the meanwhile, the NPS cannot speculate on hypothetical timelines. The NPS does not have any plans to relocate ticketing operations from Castle Clinton National Monument. Environmental control of the screening facility will continue to meet requirements regardless of the facility’s location. The NPS is responsible for the security screening facility and possible relocation thereof. The NPS cannot speculate on hypothetical “dredging, dock-building or facility construction” at possible new embarkation sites (note: the NPS is responsible for dredging approaches to Liberty and Ellis Islands). The NPS is responsible for the security screening equipment and possible relocation thereof. Any decisions made for possible relocation of the security screening facility will be made in accordance with the terms of the Concession Contract.</p>	
52	<p>The Prospectus suggests that the temporary security screen facilities at Battery Park have an “average maximum” capacity of “approximately 700 passengers per boat” (Bus. Opp. at 19; Draft Contract, Ex. A, § 3(H)). a. Under the current concessions contract, how often has the “average maximum” capacity of 700 passengers per vessel been met in light of existing access restrictions and the temporary security facility? b. If security screening capacity is approximately 700 passengers per vessel, what is the actual average number of passengers that each vessel is capable of carrying on each trip? c. The capacities of most of the Existing Concessioner’s vessels exceed 700 persons. Is the Park Service seeking to limit the number of passengers to 700 per vessel? d. What is the average maximum passenger capacity per boat at the screening facility at Liberty State Park? e. The Park Service has requested a minimum of 6 vessels in operation on a twenty-minute schedule. What changes to the temporary security screen facility is the Park Service willing to</p>	<p>The NPS does not have information to answer “how often has the ‘average maximum’ capacity of 700 passengers per vessel been met” under the Existing Contract. The “actual average number of passengers that each vessel is capable of carrying” is the passenger capacity of each boat as summarized in the Draft Contract, Exhibit A, § 3(B)(1) and stated in Prospectus Appendix G. The NPS has not set a limit on the number of passengers per vessel. Generally, maximum capacities have not been reached at Liberty State Park. The NPS is considering alternatives to the temporary screening facilities located in Battery Park. The Draft Contract will not be modified to include a provision to compensate the Concessioner as suggested.</p>	i35

#	QUESTIONS	ANSWERS	ID
	implement to ensure that the security screening facility is capable of processing the 2100 expected passengers? f. Because the Park Service is responsible for managing the flow of visitors and employees in, through, and out of the screening facilities to an average maximum of approximately 700 passenger per vessel, will the Park Service include a provision in the Draft Contract providing compensation to the Concessioner if NPS-imposed access restrictions regularly prevent the average of 700 passenger from being reached?		
53	Will the Park Service guarantee that, under the next contract, the size of the post-screening passenger holding areas will remain at least as large as they currently are?	The NPS does not intend to reduce the size of the post-screening passenger holding areas.	i36
54	The Prospectus indicates that New York tourism is at record levels, but fails to note that visitation to the Statue of Liberty and Ellis Island remains more than 30% down from 2000 levels due to fact that the Park Service has restricted visitor access by not expanding the number of screening stations used at Battery Park in New York (significantly, visitation levels in 2005 and 2006 have remained constant). (See Bus. Opp. at 6-9). Does the Park Service intend to improve security screening capacity at Battery Park, or will it revise the Prospectus to make clear that, even as tourism in New York has increased, NPS-imposed access restrictions have limited the number of visitors to the Statue of Liberty and Ellis Island?	The NPS is considering alternatives to the temporary screening facilities located in Battery Park. The NPS is currently in active negotiations with WPA/Partners, LLC, for the possible use of Pier A for a permanent security screening facility and expects to know the outcome of these negotiations by April 30, 2007. The prospectus already notes visitation trends in New York City and states that “the existing NPS security screening facility in Battery Park often reaches capacity during peak season (screening and boarding an average maximum of approximately 700 passengers per boat).” See the Business Opportunity, pp. 6 and 19, the Draft Contract, Exhibit A, § 3(H)(1), and the Proposal Package, Part B, Principal Selection Factor 2, Subfactor 2a.	i25
55	The Draft Contract suggests that all vessels will be required to undergo daily screening (see Draft Contract, Ex. A, § 3(G)(1)), and that all visitors and employees will be required to go through security screening (see Draft Contract, Ex. A, § 3(H)). a. Will the Park Service continue to require airport-style security screening at embarkation points in New York and New Jersey? If so, how many screening stations will be provided to permit the annual 3% growth in visitation estimated in the Prospectus? b. Will the Park Service add to the current number of screening stations in New York to accommodate reasonable growth in visitation? c. Will the Park Service create a fast track lane for customers holding advance ticket ferry reservations? d. If airport-style screening will continue to be mandated, will the Park Service provide all prospective Offerors with a copy of NPS Standard Operating Procedures for the embarkation security facilities (including hours of operation, number and lay-out	The NPS is not planning any change in the type of security screening or the number of screening stations at this time; analysis developed in consultation with a qualified NPS contractor indicates that the projected rate of growth can be accommodated within current security screening procedures and facilities. See the modification of the Business Opportunity, p. 25, in the attached errata list for additional information on the projected visitation growth rate. The NPS continually looks for ways to improve the visitor experience including enhancements to the security screening areas and process and will continue to evaluate the equipment to identify options for expediting the process without compromising the integrity of the screening. We invite and will consider proposals to address the possibility of a “fast track lane” for Park visitors “holding advance ticket ferry reservations.” The NPS is not planning any change in the basic	i30

#	QUESTIONS	ANSWERS	ID
	of screening stations, separate screening for passengers holding reservations, back-up equipment to ensure that all stations will be open during all hours of screening, subcontractor performance standards, etc.)? e. Will the Transportation Security Administration take over security screening at Battery Park and Liberty State Park, or will the Park Service continue to subcontract that service to a third-party security company? f. If the Park Service intends to continue to use a subcontractor, will the Park Service provide prospective Offerors a description of the chain of command (e.g., NPS Interpretive Rangers, US Park Police, Security Screening Subcontractor, and Concessioner), and an explanation of the Park Service's and its subcontractor's obligations with respect to security screening?	operation and management of the security screening facilities at this time. The NPS will not release security facility Standard Operating Procedures for security reasons. See the Draft Contract, Exhibit A, § 2(B)(4) for a description of United States Park Police responsibilities.	
56	Because the existing temporary security screening facilities do not accommodate visitor demand, visitor wait times are often very long. a. To improve the visitor experience, is the Park Service and United States Park Police willing to increase the screening capabilities within the existing temporary structures? b. Is the United States Park Police willing to work collaboratively with the Concessioner, as well as other government agencies, to streamline the security screening processes? c. Does the Park Service have any plans to upgrade existing screening capabilities to allow for faster throughput while still maintaining robust security? d. The Transportation Safety Administration has consistently tried to eliminate wait times for passenger screening processes in the Nation's airports. Does the Park Service have any plans to work with the Concessioner and the Park Police to reduce wait times of the Statue of Liberty concession operations? e. Is there any possibility that the Park Service will implement a revised screening process that (such as random screening of a lesser percentage of visitors) at the two embarkation points that will impose less of a burden on park visitors and reduce wait times? If so, when would such a change be expected?	The NPS is not planning any change in the type of security screening or the number of screening stations at this time. The NPS is open and willing to consider ideas from the Concessioner and other government agencies to improve security screening processes. The NPS expects that the required reservation and ticketing system will help address many of the concerns related to "wait times." See the Business Opportunity, p. 22, and the Draft Contract, Exhibit A, §4. The NPS will continue to explore ways to improve the security screening facilities and process.	i37
<b>BUSINESS OPPORTUNITY – Financial and Operating Data</b>			
57	Will we be able to get historical financial data for the past 3 or 5 years?	Financial data and projections based, in part, on historic data are contained in the Prospectus.	SV
58	The Prospectus estimates that the "Island Cruise" will capture "between one quarter and one third of" the total market demand in the first year of its operation (See Bus. Opp. at 26). Will the Park Service	Internal information and analyses performed by the NPS for the purposes of soliciting this business opportunity will not be provided to prospective Offerors. See the Business Opportunity,	i1

#	QUESTIONS	ANSWERS	ID
	disclose to prospective Offerors the market analyses (if any) completed to support that estimate?	p. 24, for further information regarding financial and operating data in the prospectus.	
59	The Prospectus estimates that the “Island Cruise” will generate 10% of the annual revenue (including tickets, food and beverage, and merchandise revenue) generated by the Ferry Service (see Bus. Opp. at 26, 27), yet states that the Island Cruise will be a “secondary service” that is required to operate only from mid-March through New Year’s day (see Bus. Opp. at 20). Did the Park Service consider this secondary service factor and partial-year service requirement in estimating revenue projections for the “Island Cruise”?	NPS estimates of revenue for the Island Cruise are explained in the Business Opportunity, p. 26. See the Business Opportunity, p. 24, for further information regarding financial and operating data in the prospectus.	i2
60	The Existing Concessioner has operated a harbor cruise at Battery Park since late 2001. Revenue generated from the Existing Concessioner’s harbor cruise has never exceeded 4% of the revenue generated by the Ferry Service to the Statue of Liberty and Ellis Island, even during periods in which (i) the Existing Concessioner discounted harbor cruise ticket prices to match the ticket prices for Ferry Service; (ii) the Park Service permitted the Existing Concessioner to sell tickets from the Castle Clinton ticket window; and (iii) the Park Service permitted the Existing Concessioner to accept Ferry Service tickets for harbor cruise tickets. What is the basis for the Park Service’s estimate that the “Island Cruise” will provide more than a 150% increase in revenues in 2008 over the revenues generated by the Existing Concessioner’s harbor cruise each year since 2001?	See the NPS answer to question #59	i3
61	The Prospectus estimates that the Island Cruise will carry “over 300,000 passengers.” (Bus. Opp. at 26). In 2006, however, the Existing Concessioner’s harbor cruise carried less than 100,000 passengers. How does the Park Service expect to generate demand sufficient to generate more than 200,000 additional passengers for the Island Cruise in 2008?	See the NPS answer to question #59	i4
62	Why is the fare fixed for the next 5 years?	Rates and rate determination methods are discussed in the Draft Contract, Exhibit A, § 3(K).	h14
63	[Audio Tour Sales] refers to “a small handling fee” payable to Concessioner to cover costs for handling audio tour sales. How and pursuant to what criteria is this fee calculated?	See the Business Opportunity, p. 27: “The Concessioner will retain a portion of the revenue as a handling fee to cover direct costs to the Concessioner for selling tickets for the tour . . . .” The handling fee will be a reimbursement for the actual direct costs, to handle audio tour sales in addition to the sale of ferry tickets.	e11
64	The Prospectus suggests that the Concessioner will retain a “small	See the NPS answer to question #63.	i81

#	QUESTIONS	ANSWERS	ID
	handling fee” from the bundled audio tour tickets to cover the Concessioner’s direct costs for selling tickets for the tour and will pass the remaining revenue to a non-profit partner organization. (Bus. Opp. at 21, 27). a. What will the “handling fee” be for the audio tour? b. What are the factors that determine the “handling fee” for the audio tour? c. If the factors that determine the cost of the handling fee are only the Concessioner’s direct costs, may the Concessioner factor in a percentage for a reasonable profit?		
65	Are reservation and ticketing booking fees allowed? Are booking fees excluded from gross receipts?	Reservation, ticketing, service or booking fees will not be allowed except for reimbursement of costs associated with the sale of audio tours (see NPS answer to question #63).	f8
66	The Draft Contract requires the Concessioner to establish reservation and ticketing operations, but does not appear to address whether the Concessioner will be permitted to charge a service fee for handling online and call-center ticket orders. (See Draft Contract, Ex. A., § 4) a. Will the Concessioner be permitted to charge a service fee for online and call center ticket orders? b. If service fees for advanced ticket sales are allowed, will the Concessioner be required to pay franchise fees on these receipts? c. Will credit card charges be deducted from gross receipts prior to assessing franchise fees?	Reservation, ticketing, service or booking fees will not be allowed except for reimbursement of costs associated with the sale of audio tours (see NPS answer to question #63). Credit Card Charges will not be deducted from Gross Receipts prior to assessing franchise fees. See the definition of “Gross Receipts” in the Draft Contract, § 2(i).	i101
67	In describing historical Ferry Service revenues, the Prospectus uses 9-month data for 2004 (see Bus. Opp. at 25), but does not disclose the 11-month data for 2006 that the Existing Concessioner has submitted to the Park Service. The 11-month 2006 data shows a 2% decline in visitation as opposed to the annual “projected visitation growth rate of 3%” stated in the Prospectus. (See Bus. Opp. at 25). The compounding of this 5% swing in revenues significantly distorts the Ferry Service Revenue Projections set forth on pages 25-26 of the Business Opportunity section in the Prospectus. Will the Park Service revise these projections using the most up-to-date 11-month data for 2006 to ensure that the Prospectus accurately describes the business opportunity and that all prospective Offerors are put on an equal footing?	Ticket sales in 2006 (twelve months) totaled 3,028,505. The NPS will not revise the Business Opportunity financial and operating data as suggested. The financial projections provided in the Business Opportunity, pp. 24-30 are “estimates based on the National Park Service assumptions that were developed taking into account appropriate historical data, industry standards, and other comparable business information.” See the Business Opportunity, p. 24, for further information regarding financial and operating data in the prospectus. See the modification of the Business Opportunity, p. 25, in the attached errata list for additional information on the projected visitation growth rate.	i19
68	What is the cost of the current dock space that is leased at the Brooklyn Naval Yard?	The NPS does not have specific rent data on the dock space at the Brooklyn Naval Yard. The NPS is not a party to the agreement between the Existing Concessioner and the Brooklyn Naval Yard. However, all historic rent data from the Existing Concessioner was addressed as a Fixed Expense. See the Business Opportunity,	F14

#	QUESTIONS	ANSWERS	ID
		p. 29.	
69	Can you estimate the cost difference between current Battery Park Facility and Pier A?	The NPS is currently in active negotiations with WPA/Partners, LLC, for the possible use of Pier A for a permanent security screening facility and expects to know the outcome of these negotiations by April 30, 2007. In the meanwhile, the NPS cannot speculate on hypothetical situations. However, one premise of NPS negotiations is that Concessioner costs to depart from Pier A will be no greater than the costs projected for continued use of landing slips 3, 4 and 5 in Battery Park. See the Business Opportunity, pp. 22-23 and Prospectus Appendix K.	SV
70	In the event that fuel prices exceed 3% of revenue, may Concessioner include a fuel surcharge as part of the ticket price in order to bring fuel costs to 3% of revenue?	The Concessioner's rates and charges to the public must be approved by the NPS. See the Draft Contract § 3(e) and the Draft Contract, Exhibit A, § 3(K).	e7
71	Because the Park Service intends to freeze ticket prices for more than three years (and thereby require to Concessioner to absorb 100% inflation risk through 2010), will the Park Service permit a fuel surcharge should fuel costs rise at a greater rate than inflation?	The Concessioner's rates and charges to the public must be approved by the NPS. See the Draft Contract § 3(e) and the Draft Contract, Exhibit A, § 3(K).	i121
72	Does the fixed expense estimate contained in Prospectus include Park Service estimates for cost of money for purchase the Existing Concessioner's assets, cost estimates for kiosks, cost estimates for ferry reservation system, and costs estimates for facility maintenance?	The NPS estimate of the cost to purchase the Existing Concessioner's personal property is included in the Business Opportunity, Investment Analysis, p. 31. The NPS estimate of the cost to operate and maintain the ticket kiosk in Castle Clinton National Monument, other assigned property (See the Draft Contract, Exhibit C), and the required reservation and ticketing system are included in the Business Opportunity, Financial and Operating Data, <i>Expenses</i> , pp. 28-9.	i137
73	In the wake of September 11, 2001, the Existing Concessioner has been required to reimburse the Government for U.S. Park Police wages for manning gangway 4 in Battery Park when it is used for debarkation. a. Will U.S. Park Police continue to man gangway 4 for debarkation under the next concessions contract? b. If the U.S. Park Police intends to continue to man gangway 4 for debarkation, will the Park Service be responsible for absorbing the cost of this security service? c. If the Park Service is not responsible for absorbing the cost for this security service, will prospective Offerors be asked to include this cost in their proposals?	Security screening is the responsibility of the NPS. See the Draft Contract, Exhibit A, § 3(H). The NPS will be responsible for the cost to meet any additional security requirements.	i20
74	Does the Park Service intend to revise Exhibit 29 of the Prospectus, which is entitled "Expense Estimates as Share of Gross Revenue," to include franchise fees as an element of the Concessioner's expenses?	No. The minimum franchise fee is already stated as a percentage of annual gross revenues in the Prospectus. See the Business Opportunity, p. 32.	i26

#	QUESTIONS	ANSWERS	ID
	If not, why not?		
75	The National Park Service Concessions Management Improvement Act of 1998 requires the Park Service to set franchise fees based on a “reasonable opportunity for” the Concessioner to earn a net profit “in relation to capital invested and the obligations of the contract.” Pub. L. No. 105-391, § 407. a. Not including the 18% franchise fee payment, the Prospectus estimates that expenses for the Concessioner could equal 81% of gross revenues. Does the Park Service consider a 1% net profit to reflect a reasonable opportunity for the Concessioner to earn a net profit? b. In setting the franchise fee payment, what does the Park Service consider to be a reasonable return on capital invested?	The NPS established the minimum franchise fee stated in the Business Opportunity, p. 32, in accordance with the National Park Service Concessions Management Improvement Act of 1998 (see Prospectus Appendix M). The NPS does not consider it appropriate in the context of the solicitation to address the underlying financial and business assumptions of the Prospectus in this regard, except as already provided.	i27
76	Depreciation expenses are not allowed in the computation of expenses, yet they are a captioned category of expense on the Park Service’s required financial reporting reforms? Does the Park Service intend to revise the Prospectus to address this apparent conflict in requirements. If not, why not?	The NPS is not aware of any “required financial reporting reforms” that would affect the manner in which depreciation expenses are addressed. If this question is about reporting forms, the Annual Financial Report required of Concessioners (See Prospectus Appendix C) and the Income Statement and Cash Flow forms in Prospectus Appendix I all address depreciation. The NPS is not aware of any “apparent conflict in requirements.”	i68
77	The Prospectus states that the Park Service “may fund and implement improvements projects, including capital improvements to assigned dock facilities and dredging projects.” (Bus. Opp. at 30). a. Under the existing contract, there have been significant improvements required to the piers — such as replacing pilings and conducting major repairs – that have been paid for using funds from the capital account. What budget has the Park Service set aside to pay for such improvements under the next contract? b. What assurances will the Park Service provide to prospective Offerors that the Park Service will pay for and complete necessary improvement projects to the assigned dock facilities and piers at Liberty Island, Ellis Island, Battery Park, and Liberty State Park?	The NPS intends to pay for capital improvements to assigned Concession Facilities (see the Draft Contract, Exhibit C) that may be needed to provide the visitor services under the Draft Contract using franchise fee revenue and/or available appropriated funds in compliance with Applicable Laws. The NPS will not pay for or complete improvement projects to non-federal dock facilities and piers at Battery Park and Liberty State Park.	i59
78	Dredging is referred to on page 30 of the Prospectus Business Opportunity. Specifically, the Prospectus states that the Park Service “may fund and implement improvements projects, including capital improvements to assigned dock facilities and dredging projects.” (Bus. Opp. at 30). a. When dredging for continued access to the Islands is required, will the Park Service be fully responsible for managing and paying for these sorts of involved and expensive	See the modification of the Draft Contract, Exhibit E, § 3, in the attached errata list which explicitly states the implied NPS responsibility for dredging stated in the Business Opportunity, p. 30. This modification will not require the NPS “to keep an item in its annual operating budget to pay for expected dredging projects;” however, the NPS will plan and pay for such expenses in accordance with Applicable Laws. The NPS will coordinate	i58



#	QUESTIONS	ANSWERS	ID
	projects? b. Will the Park Service be required under the new contract to keep an item in its annual operating budget to pay for expected dredging projects? If not, why not? c. How much does the Park Service intend to budget each year for anticipated dredging costs and expenses? d. Will the Park Service give the Concessioner an opportunity to review its dredging plan to ensure that it is adequate? e. Will the Park Service be responsible for damages (if any) to the Concessioner's vessels that may occur if the Park Service fails to fulfill its dredging responsibilities? f. Has the Park Service had any studies or analyses conducted regarding the need for dredging at Liberty Island or Ellis Island? Will the Park Service make these studies and analyses available to prospective Offerors? If not, why not?	planning for dredging projects with all affected and interested parties and offer an opportunity to review dredging plans in accordance with Applicable Laws. Responsibility for the safe operation and the prevention of damage to ferry boats will be the Concessioner's responsibility regardless of whether the NPS fulfills or "fails to fulfill its dredging responsibilities." The NPS does not believe that release of any dredging studies or analyses is material to offerors' ability to respond to the terms of the Prospectus.	
79	The current fleet requires the costly, periodic dredging of the harbor near Statue of Liberty Island at NPS expense. How would NPS credit an offer with a fleet that avoided that cost?	See the Proposal Instructions §§ 6 (Evaluation of Proposals) and 10 (Cautions to Offerors about Submission and Evaluation of Proposals).	a3
<b>BUSINESS OPPORTUNITY – Investment Analysis</b>			
80	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g4
81	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g5
82	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g6
83	Do the Estimated required Initial Investment values in the prospectus represent NPS assessment or that of someone else?	The Estimated Required Initial Investment in the Business Opportunity, pp. 31-2, was developed in consultation with a qualified NPS contractor.	a7
84	What are the names of the consultant(s) retained by the Park Service to provide an estimate of the value of the Existing Concessioner's property used or held for use in the concession operations, as reflected in the Prospectus's Exhibit 30? What are those consultant's professional qualifications?	The NPS retained Dornbusch Associates of Berkeley, California, as the primary contractor to assist the NPS with prospectus development. They and their qualified subcontractors have expertise in areas including, but not limited to, financial analysis, hospitality consulting, real property condition assessment, marine property valuation, and technical writing.	i125
85	How was the NPS estimate value of the property/vessels to be acquired from the current concessioner arrived at?	36 C.F.R. § 51.5(d) requires the NPS to include in a prospectus, among other information, "An estimate of the amount of any compensation due a current concessioner from a new concessioner under the terms of an existing or prior concession contract." The NPS retained a qualified contractor with expertise in marine and non-marine personal property valuation to provide an estimate of value in accordance with the compensation provision of Existing Contract § 12(b) using industry standard valuation methods. The NPS based its estimate of value on the	h1

#	QUESTIONS	ANSWERS	ID
		contractor's valuation report.	
86	How was the personal property estimate for the Marine vessels calculated?	See the NPS answer to question # 85.	f13
87	Were marine surveys done to determine the values of the boats? May we have copies? If not, how were the values determined?	See the NPS answer to question # 85. A qualified NPS contractor surveyed the marine personal property of the Existing Concessioner. Summaries of the survey report are provided in Prospectus Appendix G. An additional excerpt from the survey report can be found in the attached exhibits.	a6
88	For each of the eight vessels owned by the existing concessions, which are listed in the Prospectus at Appendix F, page F-2, please answer the following questions: a. what is the National Park Service's estimate of the initial investment required to purchase each vessel? b. what is the basis for the National Park Service's estimate of the initial investment required to purchase each vessel? c. What methodology did the Park Service or its consultants use to estimate the initial investment required to purchase the eight vessels owned by the Existing Concessioner?	See the NPS answer to question # 85. The NPS is not required to and will not release value estimates for individual items or other data used to make the NPS estimate of Required Initial Investment prepared to comply with 36 C.F.R. §51.5(d) beyond what is provided in the Business Opportunity, pp. 31-2, and Appendices F and G. See the Business Opportunity, p. 31: "It is the responsibility of Offerors to make their own estimates of the compensation that must be paid to the Existing Concessioner under the terms of the Existing Contract."	i127
89	Are the estimates of value used to calculate the required initial investment ( <i>see</i> Bus. Opp. at 32) based on an appraisal? If not, how were the estimates made?	No. See the NPS answer to question # 85.	i131
90	Are the estimates of value used to calculate the required initial investment ( <i>see</i> Bus. Opp. at 32) compliant with the Uniform Standards for Professional Appraisal Practice ("USPAP")?	No. See the NPS answer to question # 85.	i130
91	On June 19, 2003, Secretary of the Interior Gale Norton announced that real estate appraisal functions currently performed by various agencies within the Department would be consolidated into a single office. This action was taken in response to concerns about the objectivity and management of appraisal functions carried out by several agencies within the Department, and documented in reports issued by the Department's Inspector General, the General Accounting Office, and other groups. a. Was any of the analysis relied on by the Park Service to estimate the required initial investment ( <i>see</i> Bus. Opp. at 32) submitted to the Department of Interior's Office of Appraisal Services? b. Was the Department of Interior's Office of Appraisal Services consulted in preparing the Park Service's estimate of the required initial investment? c. If the Park Service did not consult the Department of Interior's Office of Appraisal Services in preparing the estimate of the required initial	The Department of the Interior, National Business Center, Appraisal Services Directorate, (ASD) was consulted during the planning phase of prospectus development to determine their responsibilities and ability to assist. However, it was determined by the NPS that ASD would not be engaged primarily due to the fact that the initial investment does not include an investment in real property and NPS is responsible to provide an estimate, not an appraisal, of the investment requirement..	i133

#	QUESTIONS	ANSWERS	ID
	investment, what is the Park Service's explanation for not having done so?		
92	For each piece of equipment that the National Park Service believes is used or held for use in connection with the concession operations, will the Park Service please provide the following information: the replacement cost of each piece of equipment used or held for use in the concession operations; the amount of physical depreciation (if any) applied to the Park Service's estimate of value of each piece of equipment; the amount of obsolescence (if any) applied to the estimate of value of each piece of equipment	The NPS is not required to and will not release value estimates for individual items or other data used to make the NPS estimate of Required Initial Investment prepared to comply with 36 C.F.R. §51.5(d) beyond what is provided in the Business Opportunity, pp. 31-2, and Appendices F and G. See the Business Opportunity, p. 31: "It is the responsibility of Offerors to make their own estimates of the compensation that must be paid to the Existing Concessioner under the terms of the Existing Contract."	i129
93	What form of agreement will be used to purchase the property?	Transfer of property will occur in accordance with the terms of the Existing Contract. See Prospectus Appendix A.	h3
94	What if the concessioner does not want to sell the equipment? Is there a dispute resolution process?	See Existing Contract § 12(b) in Prospectus Appendix A.	h4
95	Where else has the NPS used this property transfer language recently, and what were the results?	Generally, NPS concession contracts entered into under the Concessions Policy Act of 1965 contain similar language. The NPS has a number of contracts that have changed hands recently. The NPS does not have comprehensive records of the results because the transfers were between two private parties.	h5
96	Is there any documentation of the valuation process? If so, can it be provided?	The NPS does not consider it appropriate to release information in addition to the information already provided in the Prospectus	h2
97	Will the Park Service identify and make available to prospective Offerors a copy of all reports or materials prepared by the Park Service, or on its behalf, that were relied on by the Park Service in calculating an estimate of the required initial investment ( <i>see</i> Bus. Opp. at 32)? If the Park Service is unwilling to identify and disclose such information, what is the reason for not doing so?	See the NPS answer to questions # 92 and 96.	i126
98	The Existing Concessioner recently obtained estimates of the value of its vessels from Blount Boats, Inc., which built six of the seven vessels used in the concession operations. A letter from Blount Boats indicates that, replacing the Existing Concessioner's current seven-boat fleet, would cost approximately \$44 million — a range of \$41.75 million to \$46.5 million for the Existing Concessioner's seven vessels. This \$44 million price-tag would cover only the cost of the seven ferry vessels themselves, not the Existing Concessioner's fire boat, its land-based assets, or any associated marine property that the Park Service is seeking to transfer to the new concessioner. In light of this information, the Existing Concessioner has notified the Park	The NPS hereby discloses this information. The NPS does not concur with any of the statements embedded in this question.	i132

#	QUESTIONS	ANSWERS	ID
	Service that the Prospectus greatly underestimates the value of the Existing Concessioner's seven vessels. ( <i>See</i> Bus. Opp. at 32 (estimating that the required initial investment will be \$19.44 million)). Will the Park Service disclose this highly relevant information to prospective Offerors?		
99	Will the Park Service permit the Concessioner's vessels to be encumbered?	Yes, subject to the provisions of Draft Contract § 12(b).	i69
<b>BUSINESS OPPORTUNITY – Franchise Fee</b>			
100	By what process and pursuant to what criteria was the minimum franchise fee calculated?	The NPS determined the minimum franchise fee stated in the Business Opportunity, p. 32, and the Proposal Package, Part B, Principal Selection Factor 5, in accordance with the National Park Service Concessions Management Improvement Act of 1998 (see Prospectus Appendix M).	e10
<b>BUSINESS OPPORTUNITY – Term and Effective Date of Draft Contract</b>			
101	The Prospectus states that the new concessions contract is expected to begin on September 17, 2007. If the contract is not awarded to the Existing Concessioner, the Prospectus requires the selected Offeror to negotiate prices for acquiring the property of the Existing Concessioner. (Bus. Opp. at 32). a. Is this negotiation expected to be completed before the anticipated September 17, 2007 contract start date? b. In light of the estimated transition date, when does the Park Service expect the Existing Concessioner to transfer title, possession, and use of its assets? c. The Existing Concessioner has submitted a legal analysis to the Park Service demonstrating that the Park Service lacks authority to authorize transfer of title, possession, or use of the Existing Concessioner's assets before full compensation is paid. Does the Park Service agree with this analysis? If not, why not? d. The Existing Concessioner has submitted a legal analysis to the Park Service demonstrating that, even if the Park Service enjoyed authority to order asset transfers to occur in advance of payment (which it does not), the Park Service would need to establish that: (1) an immediate, pre-payment transfer of title, possession, or use of the Existing Concessioner's assets is justified under the traditional four-part equitable balance test for mandatory injunctions; (2) that ordering an immediate transfer of assets accords with equity; (3) that the successor concessioner would be required to pay into an escrow account, from which the Existing Concessioner could immediately withdraw, an amount equal to the Park Service's estimate of the fair	Negotiation between the Existing Concessioner and any succeeding Concessioner will be completed pursuant to the Existing Contract (See Prospectus Appendix A). The Existing Concessioner's legal analyses do not reflect the position of the NPS.	i139

#	QUESTIONS	ANSWERS	ID
	value of the Existing Concessioner's assets subject to transfer; and (4) that the acquiring successor concessioner would be required to secure an adequate bond to relieve the Existing Concessioner of the risk that the successor would become insolvent before the final amount of just compensation is established and paid upon final arbitration of the value of the Existing Concessioner's transferred assets. Does the Park Service agree with this analysis? If not, why not?		
<b>GENERAL</b>			
253	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g1
254	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g2
255	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g11
256	Is there a way to review other bids of a similar type for other NPS projects?	Proposals in response to NPS prospectuses may be disclosed by the NPS to the extent required or authorized by the Freedom of Information Act (5 U.S.C. Part 552). For example, see Proposal Instructions § 4 of this Prospectus.	SV
257	See Answer Set # 1 released 01/31/2007	See Answer Set # 1 released 01/31/2007	g10
258	Does the group that owns the large historic building in Battery Park have an advantage in the bid process?	The NPS is currently in active negotiations with WPA/Partners, LLC, for the possible use of Pier A for a permanent security screening facility and expects to know the outcome of these negotiations by April 30, 2007. The NPS will evaluate proposals received in response to this Prospectus pursuant to 36 C.F.R. § 51.16. These regulations do not provide a preference for Offerors with an ownership interest in possible embarkation sites. The NPS cannot speculate on the relative advantages of possible proposals.	h19
259	Will the Statue climb be resumed – i.e., will Statute itself be opened to visitors?	Park visitors may currently enter the Statue base with a free monument tour pass. The NPS has no plans to reopen the stairs inside the Statue to Park visitors.	SV
260	How long can the incumbent concessioner delay the bid, the award, and the transition thru legal challenges?	The NPS cannot speculate on hypothetical situations.	h20
261	Recent media reports suggest that the new concessioner providing ferry service to Alcatraz Island has had difficulties providing continuity in visitor services. A recent article in the San Francisco Bay Guardian reports: Trips to Alcatraz Island have become a little more unpredictable since Sept. 25, when a new contractor assumed the ferry service from Blue and Gold Fleet, which did the job for the past 12 years. Since the changeover the new company, Alcatraz Cruises (a subsidiary of Hornblower Yachts), has endured regular	The NPS will apply the terms and conditions of the Draft Contract to assure uninterrupted visitor services.	i144

#	QUESTIONS	ANSWERS	ID
	<p>protests and has had a handful of minor maritime mishaps. (<i>See Smelly Situation: Sewage spill and other problems plague new Alcatraz ferry operator</i>, San. Fran Bay Guardian (Dec. 26, 2006); <i>see also Troubled Ferry: Ferry Changeover Still Causing Labor Pains</i>, San. Fran Bay Guardian (Dec. 26, 2006)). The article goes on to report that the new concessioner has had troubles meeting the Park Service sailing schedule and notes that there has been a problem with both spills and sewage disposal. If the concessions contract for Ferry Service at the Statue of Liberty National Monument and Ellis Island is not awarded to the Existing Concessioner, what steps will the Park Service take to ensure that visitors to the Statue of Liberty and Ellis Island are not subject to similar service disruptions?</p>		
262	Does the Park Service have an approved vendor list of electrical or building contractors? Will the Park Service provide this list to prospective Offerors?	No, the NPS does not have an approved vendor list of electrical or building contractors.	i98
263	Will we be given the names and company affiliations of participants from today [at the Site Visit]?	A list of site visit attendees can be found in the attached exhibits.	SV
264	Will you publish a list of interested parties?	A list of site visit attendees can be found in the attached exhibits.	SV
265	Will the Park Service provide prospective Offerors with a list of all individuals who attended the January 9, 2007 Site Visit, including their full names, organization, and address?	A list of site visit attendees can be found in the attached exhibits.	i149